



The President's Daily Brief

January 9, 1975

5

~~Top Secret~~ 25X1

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1), (2), (3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

January 9, 1975

Table of Contents

USSR: Tass yesterday denounced Western speculation about political instability in the Kremlin. (Page 1)

Israel-PLO: An Israeli contact with a PLO official has become a domestic issue. (Page 2)

Lebanon: President Franjiyah is seeking aid from Arab leaders to strengthen his defenses against Israel. (Page 4)

Cambodia: Government forces have regained the initiative around Phnom Penh, but the situation along the lower Mekong River is still serious. (Page 6)

Oman:

[REDACTED] (Page 7)

25X1
25X1

Portugal: Foreign Minister Soares will have to decide soon whether to stay in the government or resign and take command of the leftward-drifting Socialist Party, which he nominally heads. (Page 8)

México: Mexico has decided not to seek full membership in OPEC. (Page 9)

Note: USSR (Page 10)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR

Tass yesterday denounced Western speculation about political instability in the Kremlin. The article was the first public comment on the subject by Soviet authorities. The US embassy in Moscow, meanwhile, has learned that a Soviet Foreign Ministry official told the Italian embassy on Monday that Brezhnev had resumed his normal work schedule.

The Tass statement did not specifically address the question of Brezhnev's health. A few hours earlier, however, Tass noted that the General Secretary and his family yesterday attended the funeral of his mother, who died Tuesday. That report did not mention Brezhnev's presence at the burial, but a Tass spokesman later told [] that Brezhnev was there.

25X1

French and West German diplomats have reported that during the past few mornings, Brezhnev's car has been seen leaving the building where he maintains an apartment at his normal hour of departure and traveling toward the Kremlin.

FOR THE PRESIDENT ONLY

ISRAEL-PLO

Press disclosure of an Israeli contact with a PLO official a month ago has caused heated comment within the ruling Labor coalition as well as among the opposition. The contact took place in Prague at a preparatory meeting of the World Peace Conference.

Naftali Feder, the political secretary of Mapam, the leftist partner in Prime Minister Rabin's coalition, has given the US embassy in Tel Aviv an account of his "informal" discussion. Feder said the discussion was initiated in a hotel dining room by the junior PLO delegate to the conference and lasted an hour and a half. The PLO official suggested that:

--Israel and the PLO meet in Geneva to arrange a modus vivendi, with neither side having to agree to recognize the other in advance.

--Both sides could arrange some long-term accommodation without either having to renounce its ultimate objectives.

--Neither PLO chairman Arafat's vision of a secular Palestinian state absorbing the present state of Israel nor the Zionist dream of settling all of the historic land of Israel need be barriers to an accommodation.

--Palestinian demands that Israel return to borders created by the UN partition in 1947 represent little more than a bargaining position and need not be considered seriously.

Feder said he told the PLO representative that Israel would not negotiate with terrorists and that, in any case, there is no basis now for such talks. The situation might change, he told the PLO member, if the PLO made public the same statements that were being made privately.

The Israeli government has refrained from any public comment on Feder's meeting, perhaps because it considers the fedayeen approach a trial balloon. Feder, however, was sharply criticized at a meeting Tuesday of the Labor Alignment's parliamentary caucus for violating the government's policy against talks with the PLO. The opposition parties may demand a Knesset debate on the matter.

(continued)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

There has been no indication that the government contemplates backing off from its firm refusal to deal with the PLO. In several recent and widely reported press interviews, Prime Minister Rabin has emphasized his conviction that, if Israel held firm in its refusal to deal with the PLO, the Arab states would eventually accept the Israeli position that the Palestinian problem can only be solved through Israeli-Jordanian negotiations.

Confirmation of the party official's meeting follows recent reports--vigorously denied by the Israeli Foreign Ministry--of official contacts with the PLO in Europe. Despite the denial, the Feder conversation may not have been an isolated incident.

FOR THE PRESIDENT ONLY

LEBANON

President Franjiyah has contacted the leaders of Syria, Jordan, Egypt, Saudi Arabia, and Libya for help in strengthening Lebanon's defenses against Israeli air and ground attacks. He reportedly has received offers of assistance.

Franjiyah is said to be proceeding with his usual caution in considering how to respond to these offers. His advisers, however, have been urging him to endorse a course of action that would move Lebanon a big step closer to Syria. Their recommendations would place fedayeen in southern Lebanon under command of the Syrian army and allow Syrian forces to occupy strategic positions in southern Lebanon and the area of Mount Hermon.

Franjiyah would present two preconditions to Syria before accepting such proposals:

--Syria would have to assist in controlling and disarming Palestinian refugee camps near Beirut.

--Syria would have to help in concentrating and controlling fedayeen units in southern Lebanon.

Franjiyah probably expects that Damascus will be unwilling to go along, and he will be relieved of the necessity of allowing Syrian troops into Lebanon. The US embassy in Beirut reports that Franjiyah turned aside an offer from Asad on January 7 to station Syrian troops on Lebanese soil. Asad did not press the offer.

Israeli Foreign Minister Allon told Ambassador Keating Tuesday of Israel's apprehension about recent developments in the Lebanese-Syrian-fedayeen relationship. He said that the public warning issued by Defense Minister Peres early this week was designed to help Lebanon resist Syrian pressure for stationing Syrian forces on Lebanese soil. Allon expressed a fear that within a few months the current buildup of Syrian-controlled Saiqa forces in southern Lebanon will shift the balance decisively against the Lebanese army.

(continued)

FOR THE PRESIDENT ONLY

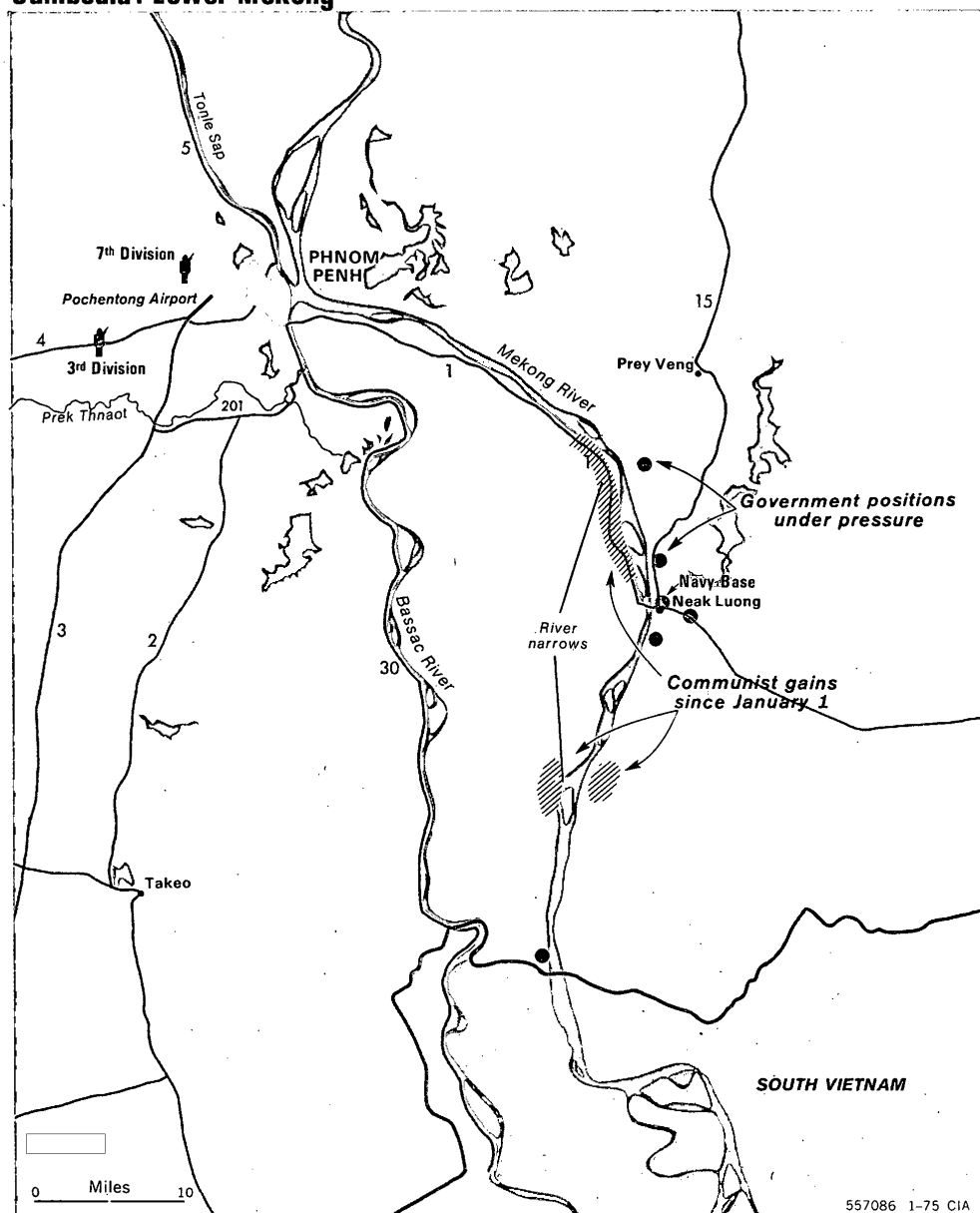
* * *

In another move designed to thwart Israeli strikes into Lebanon, 40 Soviet experts are reported to have arrived in Lebanon from Syria within a few days of the December 12 Israeli air strike on Palestinian camps in Beirut. The Soviets may have considered the time opportune for responding to requests for additional military assistance that were presented by PLO chief Yasir Arafat while he was in Moscow during November.

The Soviets have in the past provided training to fedayeen units only on Syrian territory or in the USSR. Any movement of Soviet personnel to Lebanon would be intended to curry favor with the Palestinians and Syrians at a time when Soviet-Egyptian relations are still uncertain.

FOR THE PRESIDENT ONLY

Cambodia: Lower Mekong



25X1

FOR THE PRESIDENT ONLY

CAMBODIA

Government forces have regained the initiative around Phnom Penh, but the situation along the lower Mekong River is still serious.

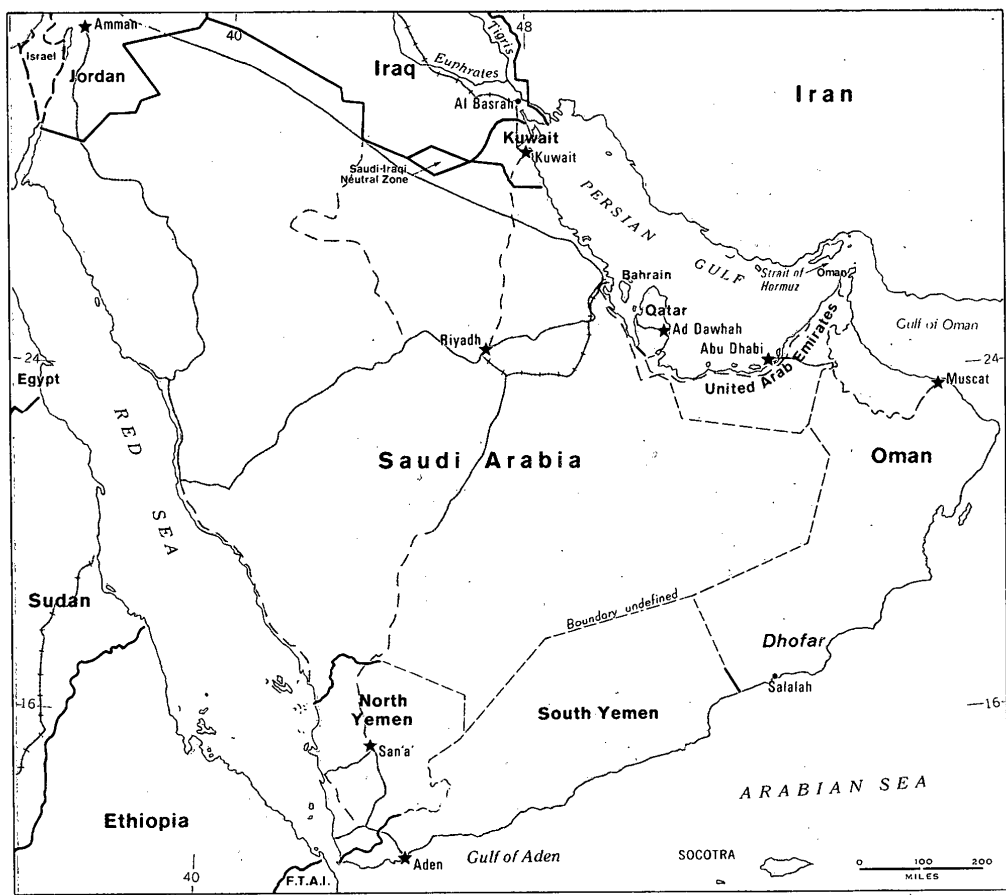
Units of the Cambodian army's 7th Division, with the help of heavy air support, have relieved all previously isolated positions on the capital's northwestern defenses, and units of the army's 3rd Division are doing well near Route 4 southwest of Phnom Penh. Insurgent gunners remain within range of Pochentong airport and the city proper, but shellings have been sporadic and ineffective.

If the situation around Phnom Penh continues to improve, military leaders may soon be able to turn their attention to the Mekong River corridor southeast of the capital. Government forces there have been unable to regain any ground along Route 1, and some ten miles of highway paralleling the Mekong upstream from the navy base at Neak Luong remain in communist hands.

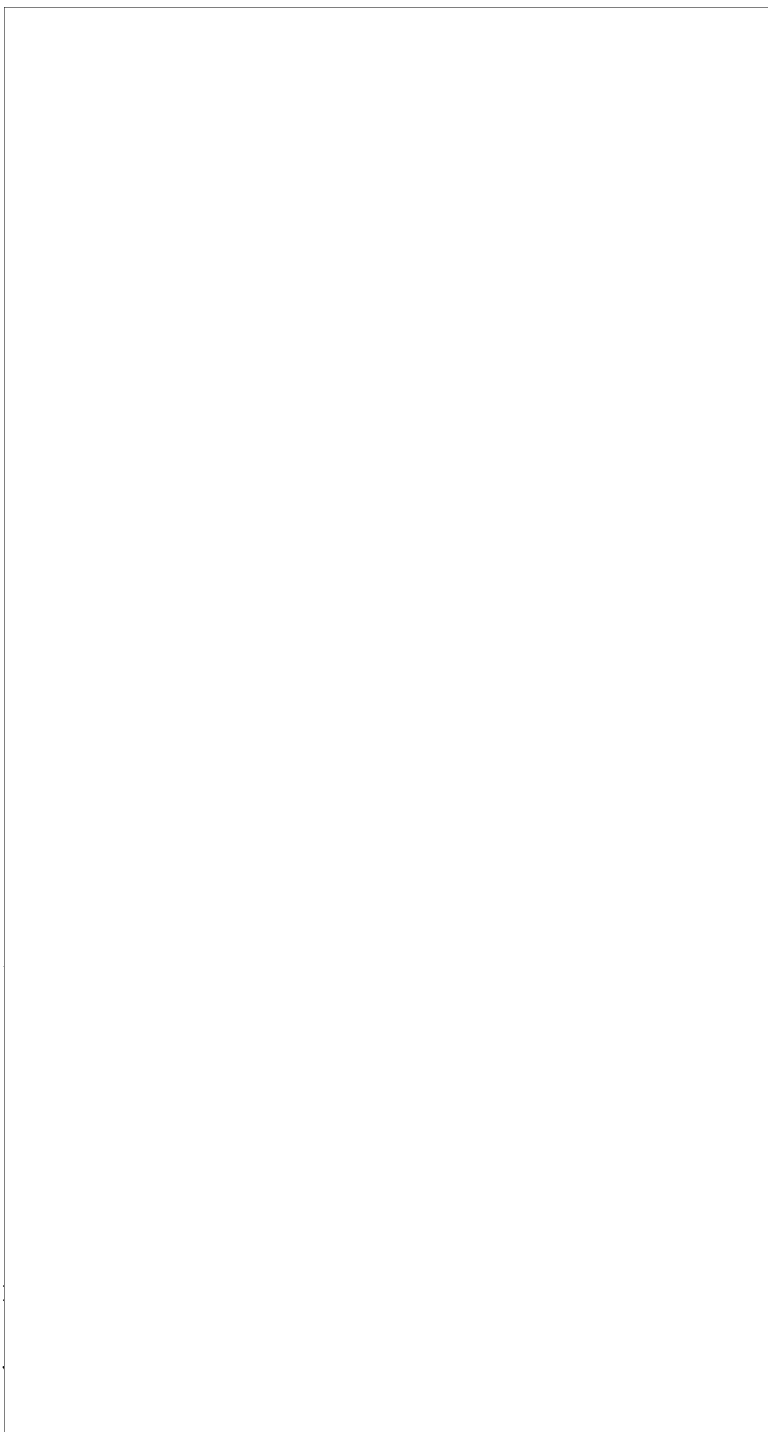
Government positions on the east bank of the river opposite Route 1 are under pressure, and intercepted messages indicate that insurgent forces are preparing for a major push against Neak Luong. Government holdings south of Neak Luong have been reduced to a few small outposts near the border with South Vietnam.

Navy commanders apparently still plan to send a supply convoy from South Vietnam upriver to Phnom Penh late this week. At this time, rice and most fuel stocks in the capital are sufficient to meet civilian and military needs for a month, and enough ammunition is on hand to support the fighting at its present level, at least through the end of the month.

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY



25X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORTUGAL

Foreign Minister Mario Soares will face some hard decisions when he returns home this week from a visit to a number of communist and neutral states. The decisions concern the problems of the Socialist Party, which he heads and which is shifting sharply to the left. Soares' first decision will be whether to resign his cabinet post to devote full energy to party matters.

The party's congress last month served to sharpen its divisions and reveal its general disorganization. Soares reportedly promised his supporters after the congress that he would resign from the government this month. He has not, however, been showing much enthusiasm or ability for party work, having become fond of the prestige and influence that go with being foreign minister.

The congress failed to make decisions on many key points in the party's program. The short-term social and economic measures that were adopted by the congress are more radical than those advocated by any other major Portuguese party, including the Communist. The US embassy in Lisbon reports that attempts to get the congress to accept a more moderate program were rejected overwhelmingly.

The delegates devoted most of their time to electing a slate of party leaders. Two slates were offered for the party's 151-member national commission. Although the slate led by Soares won, the commission has a more leftist cast than the party membership as a whole. This cast is likely to be strengthened when the 20 seats allotted to youth are filled at the Socialist Youth Congress later this month.

A temporary secretariat has been named, and by the time a permanent one is to be selected, the Socialist youth representatives will be on the national commission, which selects the leadership. Soares, however, probably will survive as secretary general.

The congress has given the commission authority to complete those portions of the party's program that were not addressed at the congress. A draft of the program calls for gradual Portuguese withdrawal from all political and military blocs. Some would like to write in provisions for establishing a common election front with the Communist Party. Soares has taken a stand against both, but he will be under intense pressure to radicalize the party's program.

FOR THE PRESIDENT ONLY

MEXICO

Mexico has decided not to seek full membership in the Organization of Petroleum Exporting Countries. The new Secretary of National Properties stated Saturday that Mexico should remain in consultation with OPEC; a ministry spokesman added that Mexico will be an observer at OPEC meetings but has no interest in membership.

The statements followed by only one day the surprise firing of the leftist Secretary of National Properties who had vigorously supported Mexican membership in OPEC. Pemex, the state oil monopoly, had maintained that Mexico can derive the benefits of high oil prices without joining the organization. President Echeverria may have been influenced to accept the Pemex argument by the fact that OPEC membership would mean exclusion from preferential treatment under the US Trade Reform Act.

Last week, Mexico criticized OPEC countries for not using their wealth to improve the lot of their citizens. This criticism of OPEC and emphasis on state ownership of the oil industry probably are intended to deflect domestic charges that US pressure--from the trade act--has deterred Mexico from joining OPEC.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTE



25X1

Top Secret